

State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008

Prepared By:

Department of Administration

Janet Kelly, Director

Sheryl Olson, Deputy Director

State Accounting Division

Paul Christofferson, CPA, Administrator

Accounting Bureau

Julie Feldman, Bureau Chief

Accounting Principles/Financial Reporting Section

Janet Atchison, Accountant

Wendy Feth, Accountant

Gina Huffman, Accountant

Charles Idehen, CPA

Operations Section

Mark Curtis, Computer Applications Software Engineer

State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008

Table of Contents

INTRODUCTORY SECTION

	Page
Title Page	1
Table of Contents	2
Letter of Transmittal	6
Certificate of Achievement for Excellence in Financial Reporting	11
State Organization Chart	12
Selected State Officials	13

FINANCIAL SECTION

Independent Auditor's Report	16
------------------------------------	----

Management's Discussion and Analysis	20
--	----

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Assets	32
Statement of Activities	34

Governmental Fund Financial Statements	
Balance Sheet	38
Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Assets	39
Statement of Revenues, Expenditures, and Changes in Fund Balances	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	42

Proprietary Fund Financial Statements	
Statement of Net Assets	46
Statement of Revenues, Expenses, and Changes in Fund Net Assets	48
Statement of Cash Flows	50

Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets	54
Statement of Changes in Fiduciary Net Assets	55

Component Unit Financial Statements	
Combining Statement of Net Assets	58
Combining Statement of Activities	60

Notes to the Financial Statements	
Note 1 – Summary of Significant Accounting Policies	62
Note 2 – Other Accounting Issues	69
Note 3 – Cash/Cash Equivalents and Investments	69
Note 4 – Disaggregation of Accounts Receivable and Payable	81
Note 5 – Capital Assets	83
Note 6 – Retirement Plans	86
Note 7 – Other Postemployment Benefits	96
Note 8 – Risk Management	100

Notes to the Financial Statements (*continued*)

Note 9 – Commitments.....	108
Note 10 – Leases/Installment Purchases Payable.....	109
Note 11 – State Debt	110
Note 12 – Interfund Balances and Transfers	118
Note 13 – Fund Deficits	121
Note 14 – Reserved Fund Balances.....	121
Note 15 – Related Party Transactions	121
Note 16 – Contingencies	122
Note 17 – Subsequent Events	126
Note 18 – Material Violations of Finance-Related Legal Provisions.....	127

Required Supplementary Information

Budgetary Comparison Schedule – General and Major Special Revenue Funds	130
Notes to the Required Supplementary Information – Budgetary Reporting.....	132
Pension Plan Information – Schedule of Funding Progress.....	133
Notes to the Required Supplementary Information – Other Postemployment Benefits Plan Information	134
Other Postemployment Benefits Plan Information – Schedule of Funding Progress	134

Supplementary Information – Combining Statements and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Combining Balance Sheet – Governmental Funds by Fund Type.....	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds by Fund Type.....	137
Combining Balance Sheet – Debt Service Funds	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds	142
Combining Balance Sheet – Capital Projects Funds	146
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds	147
Combining Balance Sheet – Permanent Funds.....	150
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Permanent Funds.....	152

Proprietary Funds

Nonmajor Enterprise Funds

Combining Statement of Net Assets	156
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	164
Combining Statement of Cash Flows.....	168

Internal Service Funds

Combining Statement of Net Assets	178
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	182
Combining Statement of Cash Flows.....	186

Fiduciary Funds

Pension (and Other Employee Benefit) Trust Funds

Combining Statement of Fiduciary Net Assets	196
Combining Statement of Changes in Fiduciary Net Assets	198

Private-Purpose Trust Funds

Combining Statement of Fiduciary Net Assets	202
Combining Statement of Changes in Fiduciary Net Assets	204

Agency Funds

Combining Statement of Fiduciary Net Assets	208
Combining Statement of Changes in Assets and Liabilities.....	210

STATISTICAL SECTION

Index to the Statistical Sections	213
Schedule A-1 – Net Assets by Component	214
Schedule A-2 – Change in Net Assets	216
Schedule A-3 – Fund Balances, Governmental Funds	220
Schedule A-4 – Changes in Fund Balances, Governmental Funds	222
Schedule B-1 – Personal Income by Industry	224
Schedule B-2 – Personal Income Tax Rates	225
Schedule B-3 – Personal Income Tax Filers and Liability by Income Level	226
Schedule C-1 – Ratios of Outstanding Debt by Type	227
Schedule C-2 – Pledged Revenue Coverage	228
Schedule C-3 – Ratios of General Bonded Debt Outstanding	234
Schedule D-1 – Demographic and Economic Statistics	235
Schedule D-2 – Principal Employers	236
Schedule E-1 – Full-Time Equivalent State Employees by Function/Program	238
Schedule E-2 – Operating Indicators by Function/Program	240
Schedule E-3 – Capital Asset Statistics by Function/Program	244

STATISTICAL SECTION

The Statistical Section provides additional historical context and detail to aid in using the information in the financial statements, notes to the financial statements, and required supplementary information of the primary government of the State of Montana in understanding and assessing the State's overall financial health.

Financial Trends Information

These schedules present trend information to help understand how the State's financial performance and fiscal health have changed over time.

Schedule A-1 – Net Assets by Component	214
Schedule A-2 – Change in Net Assets.....	216
Schedule A-3 – Fund Balances, Governmental Funds	220
Schedule A-4 – Changes in Fund Balances, Governmental Funds.....	222

Revenue Capacity Information

These schedules contain information to help understand the State's capacity to raise revenues and the sources of those revenues.

Schedule B-1 – Personal Income by Industry	224
Schedule B-2 – Personal Income Tax Rates	225
Schedule B-3 – Personal Income Tax Filers and Liability by Income Level	226

Debt Capacity Information

These schedules present information to help understand and assess the State's level of outstanding debt and the State's ability to issue additional debt in the future.

Schedule C-1 – Ratios of Outstanding Debt by Type	227
Schedule C-2 – Pledged Revenue Coverage	228
Schedule C-3 – Ratios of General Bonded Debt Outstanding	234

Demographic and Economic Information

These schedules contain demographic and economic indicators to help understand the environment within which the State's financial activities take place.

Schedule D-1 – Demographic and Economic Statistics	235
Schedule D-2 – Principal Employers.....	236

Operating Information

These schedules provide operating data to help understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Schedule E-1 – Full-Time Equivalent State Employees by Function/Program	238
Schedule E-2 – Operating Indicators by Function/Program.....	240
Schedule E-3 – Capital Asset Statistics by Function/Program.....	244

Sources: Unless otherwise noted, the information in the following schedules is derived from the State of Montana Comprehensive Annual Financial Report.

SCHEDEULE A-1 - NET ASSETS BY COMPONENT
 Last Seven Fiscal Years
 (accrual basis of accounting, amounts expressed in thousands)

					Fiscal Year		
					2005	2006	2007
					2002	2003	2004
Governmental activities							
Invested in capital assets, net of related debt	\$ 814,026	\$2,049,489	\$2,250,177	\$2,528,808	\$2,842,708	\$3,115,260	\$3,262,932
Restricted	1,742,193	1,817,193	1,858,088	2,159,185	2,202,592	2,347,395	2,617,435
Unrestricted	140,044	177,161	222,829	404,724	647,182	675,752	595,019
Total governmental activities net assets	\$2,696,253	\$4,043,843	\$4,331,094	\$5,092,717	\$5,692,482	\$6,138,407	\$6,475,386
Business-type activities							
Invested in capital assets, net of related debt	\$ 12,496	\$ 9,084	\$ 8,925	\$ 9,670	\$ 8,703	\$ 8,698	\$ 8,733
Restricted	203,710	202,268	212,473	240,514	269,687	314,722	337,036
Unrestricted	17,223	19,251	14,909	16,672	18,539	11,761	11,234
Total business-type activities net assets	\$ 233,429	\$ 230,603	\$ 236,307	\$ 266,856	\$ 296,929	\$ 335,181	\$ 357,003
Primary government							
Invested in capital assets, net of related debt	\$ 826,522	\$2,058,573	\$2,259,102	\$2,538,478	\$2,851,411	\$3,123,958	\$3,271,665
Restricted	1,945,903	2,019,461	2,070,561	2,399,699	2,472,279	2,662,117	2,594,471
Unrestricted	157,267	196,412	237,738	421,396	665,721	687,513	606,253
Total primary government net assets	\$2,929,692	\$4,274,446	\$4,567,401	\$5,359,573	\$5,989,411	\$6,473,588	\$6,832,389

Source: Statewide Accounting, Budgeting, and Human Resource System

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement 34 in fiscal year 2002.

This page intentionally left blank.

SCHEDULE A-2 – CHANGE IN NET ASSETS

Last Seven Fiscal Years

(accrual basis of accounting, amounts expressed in thousands)

Expenses	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
General government	\$ 248,089	\$ 280,740	\$ 285,781	\$ 305,819	\$ 525,981
Public safety/corrections	205,983	194,885	227,786	258,610	245,810
Transportation	169,282	286,181	400,034	281,074	216,942
Health/social services	1,086,012	1,023,893	1,109,045	1,182,281	1,270,056
Education/cultural	845,324	899,575	874,846	900,542	976,046
Resource/recreation/environment	108,642	234,848	258,057	197,539	142,460
Economic development/assistance	164,761	169,270	144,687	144,777	150,449
Interest on long-term debt	22,763	19,910	15,088	14,375	19,569
Total governmental activities expenses	2,850,856	3,109,302	3,315,324	3,285,017	3,547,313
Business-type activities:					
Unemployment Insurance	83,944	92,639	93,882	75,291	72,661
Liquor Stores	38,074	40,097	42,827	45,503	50,514
State Lottery	26,585	27,320	28,669	27,681	31,020
Economic Development Bonds	3,251	2,426	2,197	2,630	3,441
Hail Insurance	2,045	2,029	1,949	3,153	4,632
General Government Services	11,134	14,177	48,395	50,329	51,017
Prison Funds	5,444	4,515	4,244	5,268	5,356
MUS Group Insurance	34,594	35,906	39,690	40,524	52,139
MUS Workers Compensation	-	-	2,552	2,842	2,978
Total business-type activities expenses	205,071	219,109	264,405	253,221	273,758
Total primary government expenses	\$ 3,055,927	\$ 3,328,411	\$ 3,579,729	\$ 3,538,238	\$ 3,821,071
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 38,368	\$ 42,849	\$ 59,384	\$ 49,637	\$ 59,166
Public safety/corrections	122,840	124,901	159,397	146,746	150,787
Transportation	32,269	61,316	33,943	38,101	31,766
Health/social services	40,847	31,074	32,983	31,467	30,022
Education/cultural	69,242	69,228	28,922	30,499	107,096
Resource/recreation/environment	45,787	67,380	137,714	121,539	77,064
Economic development/assistance	15,261	17,835	22,102	25,995	31,866
Operating grants and contributions	1,080,374	1,170,703	1,271,515	1,391,026	1,371,109
Capital grants and contributions	280,489	308,021	290,045	319,434	305,345
Total governmental activities program revenues	1,725,477	1,893,757	2,034,005	2,154,444	2,164,221
Business-type activities:					
Charges for services:					
Unemployment Insurance	59,771	66,493	67,873	72,866	76,754
Liquor Stores	45,630	46,955	49,521	52,081	58,975
State Lottery	33,670	34,696	36,740	33,815	39,923
Economic Development Bonds	13	19	8	5	7
Hail Insurance	301	2,568	3,748	7,404	3,057
General Government Services	11,202	12,658	13,197	14,244	15,589
Prison Funds	5,583	4,371	5,140	5,233	5,717
MUS Group Insurance	33,601	38,743	42,252	47,739	54,164
MUS Workers Compensation	-	-	2,424	2,978	3,543
Operating grants and contributions	29,335	10,442	55,487	58,433	58,051
Capital grants and contributions	602	510	177	159	378
Total business-type activities program revenues	219,708	217,185	493,752	294,957	316,158
Total primary government program revenues	\$ 1,945,257	\$ 2,110,942	\$ 2,527,757	\$ 2,449,401	\$ 2,480,379

Fiscal Year	
2007	2008
\$ 450,646	\$ 634,984
293,193	322,769
197,510	488,450
1,266,098	1,380,629
1,065,504	1,144,637
256,751	258,058
152,154	152,456
19,418	18,344
3,701,274	4,400,327
72,378	90,269
55,521	59,227
30,416	32,984
4,167	4,552
4,663	11,064
53,851	56,697
6,487	6,670
58,532	59,334
2,647	3,109
288,662	323,906
\$ 3,989,936	\$ 4,724,233

\$ 61,713	\$ 83,720
153,577	149,534
34,963	42,348
30,547	38,137
96,903	150,906
80,320	80,933
38,441	38,520
1,395,324	1,493,944
325,352	380,856
2,217,140	2,458,898

83,661	85,801
63,943	69,242
41,567	43,826
22	33
6,042	7,730
18,176	19,844
5,600	7,150
57,159	62,666
4,047	4,660
64,691	63,524
171	540
345,079	365,016
\$ 2,562,219	\$ 2,823,914

SCHEDULE A-2 – CHANGE IN NET ASSETS - Continued

Last Seven Fiscal Years

(*accrual basis of accounting, amounts expressed in thousands*)

	Fiscal Year				
	2002	2003	2004	2005	2006
Net (expense)/revenue					
Governmental activities	\$ (1,125,379)	\$ (1,215,545)	\$ (1,281,319)	\$ (1,130,573)	\$ (1,383,092)
Business-type activities	14,637	(1,924)	229,347	41,736	42,400
Total primary government net expense	\$ (1,110,742)	\$ (1,217,469)	\$ (1,051,972)	\$ (1,088,837)	\$ (1,340,692)

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes					
Property	\$ 167,488	\$ 170,803	\$ 164,505	\$ 186,229	\$ 194,617
Fuel	191,248	190,030	198,332	190,897	212,276
Natural resource	96,336	111,776	131,053	191,723	260,382
Individual income	525,647	540,926	619,043	729,459	760,981
Corporate income	69,176	44,394	69,685	101,834	153,574
Other	188,256	201,929	253,953	257,526	289,978
Unrestricted grants and contributions	-	-	-	-	4,158
Settlements	58,549	35,754	25,181	28,313	28,248
Unrestricted investment earnings	151,716	206,970	32,734	52,792	36,188
Gain on sale of capital assets	(7,532)	311	204	34	53
Miscellaneous	4,460	24,045	6,412	4,358	4,741
Transfers	26,756	32,366	30,812	29,871	34,802
Total governmental activities	1,472,100	1,559,844	1,531,914	1,773,036	1,979,998
Business-type activities:					
Taxes					
Other	12,907	13,650	14,621	15,624	17,317
Settlements	-	-	-	-	-
Unrestricted investment earnings	16,382	16,028	319	190	1,016
Gain on sale of capital assets	(3)	-	-	-	-
Miscellaneous	1,040	5,750	9,956	2,945	4,146
Transfers	(26,756)	(32,366)	(30,812)	(29,871)	(34,802)
Total business-type activities	3,570	3,062	(5,916)	(11,112)	(12,323)
Total primary government	1,475,670	1,562,906	1,525,998	1,761,924	1,967,675
Change in Net Assets					
Governmental activities	346,721	344,299	250,595	642,463	596,906
Business-type activities	18,207	1,138	223,431	30,624	30,077
Total primary government	\$ 364,928	\$ 345,437	\$ 474,026	\$ 673,087	\$ 626,983

Source: Statewide Accounting, Budgeting, and Human Resource System

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement 34 in fiscal year 2002.

Fiscal Year	
2007	2008
\$ (1,484,134)	\$ (1,941,429)
56,417	41,110
<u>\$ (1,427,717)</u>	<u>\$ (1,900,319)</u>

\$ 206,527	\$ 214,868
210,573	205,758
276,793	407,007
819,473	862,273
183,913	161,118
309,232	320,398
3,911	28
27,853	38,760
78,032	72,203
-	-
10,823	6,351
3,050	5,810
41,080	43,010
<u>2,171,260</u>	<u>2,337,584</u>

19,046	20,340
10	-
569	406
-	-
1,953	2,662
(41,080)	(43,010)
(19,502)	(19,602)
<u>2,151,758</u>	<u>2,317,982</u>

687,126	396,155
36,915	21,508
<u>\$ 724,041</u>	<u>\$ 417,663</u>

SCHEDULE A-3 – FUND BALANCES, GOVERNMENTAL FUNDS

Last Seven Fiscal Years
 (modified accrual basis of accounting, amounts expressed in thousands)

	2002	2003	2004	Fiscal Year 2005	2006	2007	2008
General Fund							
Reserved	\$ 7,927	\$ 8,056	\$ 8,903	\$ 10,118	\$ 11,533	\$ 20,498	\$ 28,221
Unreserved	81,316	43,065	132,873	289,675	408,580	549,158	433,580
Total general fund	\$ 89,243	\$ 51,121	\$ 141,776	\$ 299,793	\$ 420,113	\$ 569,656	\$ 461,801
All other governmental funds							
Reserved	\$1,512,978	\$1,650,265	\$2,199,647	\$2,421,876	\$2,431,304	\$2,529,131	\$2,766,497
Unreserved, reported in:							
Special revenue funds	437,188	501,679	(83,891)	(51,010)	(53,296)	(48,292)	(47,864)
Debt service funds	21,985	10,731	7,003	5,456	6,783	5,920	1,083
Capital project funds	13,487	16,935	10,661	8,721	47,272	37,735	87,895
Total all other governmental funds	\$1,985,638	\$2,179,610	\$2,133,420	\$2,385,043	\$2,432,093	\$2,524,494	\$2,807,611

Source: Statewide Accounting, Budgeting, and Human Resource System

Note: Due to changes in the State's fund structure initiated when GASB Statement 34 was implemented, the fund balance information is available beginning in fiscal year 2002.

This page intentionally left blank.

SCHEDULE A-4 – CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Seven Fiscal Years

(modified accrual basis of accounting, amounts expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues					
Licenses/permits	\$ 202,490	\$ 210,611	\$ 240,612	\$ 245,244	\$ 259,073
Taxes	1,229,613	1,250,187	1,416,392	1,627,858	1,880,838
Charges for services/fines/forfeits/settlements	172,326	157,937	200,590	145,235	162,520
Investment earnings	145,984	204,406	49,363	143,937	62,977
Sale of documents/merchandise/property	15,571	13,104	31,687	22,655	21,412
Rentals/leases/royalties	24,438	28,324	22,868	43,723	63,318
Grants/contracts/donations	20,864	24,560	27,984	27,984	25,987
Federal	1,342,612	1,488,048	1,518,634	1,583,989	1,612,717
Other revenues	15,011	32,927	32,042	17,253	20,989
Total revenues	<u>3,168,909</u>	<u>3,410,100</u>	<u>3,514,220</u>	<u>3,857,878</u>	<u>4,109,831</u>
Expenditures					
General government	228,772	239,707	252,486	293,808	466,886
Public safety/corrections	189,507	189,302	208,593	238,929	254,381
Transportation	440,172	510,866	529,555	523,022	559,695
Health/social services	1,079,303	1,018,333	1,114,064	1,186,462	1,274,947
Education/cultural	861,034	894,591	898,988	905,150	976,446
Resource/recreation/environment	111,388	184,359	250,590	206,903	204,413
Economic development/assistance	163,895	168,007	144,381	146,306	151,020
Debt service:					
Principal retirement	36,758	39,002	25,217	27,203	32,546
Interest/fiscal charges	19,780	18,166	14,812	14,171	20,745
Capital outlay	65,056	63,073	60,310	70,851	69,505
Securities lending	3,936	1,734	1,784	4,905	7,663
Total expenditures	<u>3,199,601</u>	<u>3,327,140</u>	<u>3,500,780</u>	<u>3,617,710</u>	<u>4,018,247</u>
Excess of revenue over (under) expenditures	<u>(30,692)</u>	<u>82,960</u>	<u>13,440</u>	<u>240,168</u>	<u>91,584</u>
Other financing sources (uses)					
Loan proceeds	2,132	2,235	-	-	-
Bonds issued	1,785	31,360	5,790	135,380	37,050
Refunding bonds issued	33,605	44,385	20,235	30,070	-
Bond premium	(139)	1,655	478	8,106	2,178
Payment to refunding bond escrow agent	(34,756)	(44,408)	(20,214)	(31,018)	-
Inception of lease/installment contract	482	321	1,297	517	876
Insurance proceeds	-	-	-	-	327
General capital asset sale proceeds	310	312	270	169	164
Transfers in	321,362	231,890	239,638	273,651	292,130
Transfers out	(296,729)	200,605	(210,166)	(244,868)	(259,247)
Total other financing sources (uses)	<u>28,052</u>	<u>67,145</u>	<u>37,328</u>	<u>172,007</u>	<u>73,478</u>
Net change in fund balances	<u>\$ (2,640)</u>	<u>\$ 150,105</u>	<u>\$ 50,678</u>	<u>\$ 412,175</u>	<u>\$ 165,062</u>
Debt service as a percentage of noncapital expenditures	2.0%	1.8%	1.2%	1.3%	1.6%

Source: Statewide Accounting, Budgeting, and Human Resource System

Note: Due to changes in the State's fund structure initiated when GASB Statement 34 was implemented, the fund balance information is available beginning in fiscal year 2002.

Fiscal Year	
2007	2008
\$ 285,890	\$ 283,755
2,009,620	2,162,928
160,571	188,518
171,047	165,165
20,460	19,711
51,442	65,176
25,362	27,825
1,586,206	1,713,478
17,280	30,952
4,327,878	4,657,508
401,331	545,662
284,777	311,094
575,157	360,383
1,267,854	1,372,335
1,050,239	1,137,548
247,090	300,207
152,442	149,056
33,103	33,767
19,080	18,931
95,834	351,111
5,261	7,244
4,132,168	4,587,338
195,710	70,170
-	-
-	59,490
16,740	-
946	828
(17,504)	-
49	874
115	1,681
10,946	6,497
306,867	413,287
(269,595)	(373,728)
48,564	108,929
\$ 244,274	\$ 179,099
1.4%	1.3%

SCHEDEULE B-1 – PERSONAL INCOME BY INDUSTRY

Last Ten Calendar Years
(amounts expressed in thousands)

	Calendar Year					
	1998	1999	2000	2001	2002	2003
	\$	\$	\$	\$	\$	\$
Farm Earnings	\$ 336,530	\$ 390,893	\$ 243,540	\$ 286,085	\$ 179,587	\$ 356,957
Agricultural/forestry, fishing, and other	116,033	140,509	153,663	189,345	176,468	197,423
Mining	334,151	353,488	378,056	455,664	437,359	453,988
Construction/utilities	949,346	1,019,946	1,013,657	1,134,142	1,150,017	1,286,800
Manufacturing	1,012,992	990,870	1,056,316	994,677	972,587	970,138
Transportation and public utilities	1,064,492	1,105,624	1,149,160	939,462	957,401	980,540
Wholesale trade	654,840	675,370	697,897	630,434	660,867	692,618
Retail trade	1,481,694	1,538,007	1,639,454	1,425,133	1,489,275	1,521,505
Finance, insurance, and real estate	784,026	856,974	972,387	1,315,939	1,244,419	1,247,036
Services	3,258,980	3,457,003	3,742,485	4,789,559	5,056,160	5,299,448
Federal, civilian	721,427	733,730	842,339	851,497	913,187	973,870
Military	240,428	252,917	261,623	278,212	335,236	398,500
State and local government	1,977,542	2,051,609	2,170,150	2,290,747	2,400,623	2,579,116
Other (1)	5,924,147	5,805,624	6,395,293	6,778,287	6,845,808	7,219,252
Total personal income	\$18,856,628	\$19,372,564	\$20,716,220	\$22,359,183	\$22,818,994	\$24,177,191
Average effective rate (2)	2.4%	2.5%	2.5%	2.3%	2.2%	2.3%

Average effective rate (2) 2.4% 2.5% 2.5% 2.3% 2.2% 2.3%

Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce
Montana Department of Revenue

Notes: Numbers include revised state personal income estimates for 2005-2007 released on September 18, 2008.

(1) Includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance

(2) The total direct rate for personal income is not available. Average effective rate equals personal income tax revenue (Schedule B-2) divided by personal income.

SCHEDULE B-2 – PERSONAL INCOME TAX RATES
 Last Ten Calendar Years
 (amounts expressed in thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Personal income tax revenue (1)	\$444,160	\$483,032	\$516,262	\$556,015	\$517,568	\$535,831	\$605,348	\$712,281	\$768,912	\$827,095
Personal income	\$18,856,628	\$19,372,564	\$20,716,220	\$22,359,183	\$22,818,994	\$24,177,191	\$25,812,886	\$27,521,224	\$29,354,462	\$31,748,689
Average effective rate (2)	2.4%	2.5%	2.5%	2.5%	2.3%	2.2%	2.3%	2.3%	2.6%	2.6%
Tax Rates on the Portion of Taxable Income in Ranges (3)										
Calendar Year 1998 Tax Rate Income Bracket	2.0% \$0.2	3.0% \$2.3-9	4.0% \$3.9-7.9	5.0% \$7.9-11.8	6.0% \$11.8-15.8	7.0% \$15.8-19.7	8.0% \$19.7-27.6	9.0% \$27.6-39.4	10.0% \$39.4-69	11.0% \$69 +
Calendar Year 1999 Tax Rate Income Bracket	2.0% \$0.2	3.0% \$2.4	4.0% \$4.8	5.0% \$8-12.1	6.0% \$12.1-16.1	7.0% \$16.1-20.1	8.0% \$20.1-28.2	9.0% \$28.2-40.2	10.0% \$40.2-70.4	11.0% \$70.4 +
Calendar Year 2000 Tax Rate Income Bracket	2.0% \$0.2-1	3.0% \$2.1-4.2	4.0% \$4.2-8.3	5.0% \$8.3-12.5	6.0% \$12.5-16.7	7.0% \$16.7-20.8	8.0% \$20.8-29.2	9.0% \$29.2-41.7	10.0% \$41.7-73	11.0% \$73 +
Calendar Year 2001 Tax Rate Income Bracket	2.0% \$0.2-2	3.0% \$2.2-4.3	4.0% \$4.3-8.6	5.0% \$8.6-12.9	6.0% \$12.9-17.2	7.0% \$17.2-21.5	8.0% \$21.5-30.2	9.0% \$30.2-43.1	10.0% \$43.1-75.4	11.0% \$75.4 +
Calendar Year 2002 Tax Rate Income Bracket	2.0% \$0.2-2	3.0% \$2.2-4.4	4.0% \$4.4-8.7	5.0% \$8.7-13.1	6.0% \$13.1-17.4	7.0% \$17.4-21.8	8.0% \$21.8-30.5	9.0% \$30.5-43.5	10.0% \$43.5-76.2	11.0% \$76.2 +
Calendar Year 2003 Tax Rate Income Bracket	2.0% \$0.2-2	3.0% \$2.2-4.4	4.0% \$4.4-8.9	5.0% \$8.9-13.3	6.0% \$13.3-17.8	7.0% \$17.8-22.2	8.0% \$22.2-31.1	9.0% \$31.1-44.5	10.0% \$44.5-77.8	11.0% \$77.8 +
Calendar Year 2004 Tax Rate Income Bracket	2.0% \$0.2-3	3.0% \$2.3-4.6	4.0% \$4.6-9.2	5.0% \$9.2-13.8	6.0% \$13.8-18.4	7.0% \$18.4-22.9	8.0% \$22.9-32.1	9.0% \$32.1-45.9	10.0% \$45.9-80.3	11.0% \$80.3 +
Calendar Year 2005 Tax Rate Income Bracket	1.0% \$0-2.3	2.0% \$2.3-4.1	3.0% \$4.1-6.2	4.0% \$6.2-8.4	5.0% \$8.4-10.8	6.0% \$10.8-13.9			6.0% \$13.9 +	
Calendar Year 2006 Tax Rate Income Bracket	1.0% \$0-2.4	2.0% \$2.4-4.3	3.0% \$4.3-6.5	4.0% \$6.5-8.8	5.0% \$8.8-11.3	6.0% \$11.3-14.5			6.0% \$14.5 +	
Calendar Year 2007 Tax Rate Income Bracket	1.0% \$0-2.5	2.0% \$2.5-4.4	3.0% \$4.4-6.6	4.0% \$6.6-9	5.0% \$9-11.6	6.0% \$11.6-14.9			6.0% \$14.9 +	

Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce; Montana Department of Revenue
 Notes:
 Numbers include revised state personal income estimates for 2005-2007 released on September 18, 2008.

(1) Personal income tax revenue is reported on a fiscal year basis.

(2) Average effective rate equals personal income tax revenue divided by personal income.

(3) Amounts shown are for single and married filing separate returns. For all other filing status returns, double the income amounts in the columns.

SCHEDULE B-3 – PERSONAL INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL

Latest Completed Calendar Year and Five Years Ago

Income Level	Calendar Year 2002				Calendar Year 2007			
	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$9,999 and under	89,242	23.40%	\$ 2,760,602	0.56%	84,048	19.59%	\$ 1,209,461	0.16%
\$10,000–\$19,999	77,797	20.39	15,669,018	3.17	73,927	17.22	11,069,039	1.44
\$20,000–\$44,999	109,471	28.68	79,961,558	16.18	118,074	27.53	81,758,767	10.60
\$45,000–\$69,999	58,212	15.27	103,379,044	20.92	67,441	15.72%	113,921,771	14.77
\$70,000–\$109,999	31,965	8.38	103,658,074	20.98	53,672	12.51%	164,083,950	21.26
\$110,000–\$174,999	9,177	2.41	57,273,392	11.58	19,956	4.65	111,191,152	14.42
\$175,000–\$499,999	4,873	1.28	73,208,628	14.82	9,930	2.30	127,511,476	16.53
\$500,000 and higher	730	0.19	58,222,536	11.79	2,054	0.48	160,830,336	20.82
Total	381,467	100.00%	\$494,132,852	100.00%	429,102	100.00%	\$771,575,952	100.00%

Source: Montana Department of Revenue

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented above are intended to provide alternate information regarding the sources of the State's revenue.

SCHEDULE C-1 – RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Seven Fiscal Years
 (amounts expressed in thousands, except per capita amount, in dollars)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
General obligation bonds	\$214,135	\$227,625	\$219,645	\$213,195	\$230,065
Special revenue bonds	100,337	85,070	76,368	192,775	181,770
Notes payable	23,203	21,299	12,807	12,439	12,099
Lease/installment purchase payable	3,652	3,286	2,332	2,705	2,459
Total governmental activities	\$341,327	\$337,280	\$311,152	\$421,114	\$426,393
Business-type activities					
Bonds/notes payable	\$ 13,914	\$ 10,376	\$ 7,942	\$ 5,168	\$ 3,936
Total business-type activities	\$ 13,914	\$ 10,376	\$ 7,942	\$ 5,168	\$ 3,936
Total primary government	\$355,421	\$347,656	\$319,094	\$426,282	\$430,329
Debt as a percentage of personal income (1)	1.6%	1.5%	1.3%	1.7%	1.6%
Amount of debt per capita (2)	\$391	\$379	\$344	\$455	\$454

227

Source: Statewide Accounting, Budgeting, and Human Resource System

Notes: The schedule information is available beginning in fiscal year 2002, the year GASB Statement 34 was implemented. Details regarding the State's debt can be found in Note 11 of the financial statements.

(1) Debt as a percentage of personal income equals total debt divided by total personal income from Schedule B-1. Used calendar year 2007 personal income for fiscal year 2008 debt percentage calculation. Numbers revised for prior years due to personal income estimate revisions.

(2) Amount of debt per capita is calculated by dividing total debt by total population from Schedule D-1. State population for 2008 is based on a U.S. Census Bureau interim population projection. Numbers revised for prior years due to population estimate revisions.

SCHEDULE C-2 – PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
Governmental Activities						
Renewable Resource Program Bond						
Revenue						
Loan repayment (principal and interest)	\$3,395	\$4,361	\$3,317	\$3,933	\$3,464	\$3,643
Northwestern Energy	2,648	2,747	2,269	2,026	2,535	2,348
STIP interest earnings	-	-	-	-	59	119
Debt service fund interest	-	-	-	-	72	53
Less: Operating expenses	-	-	-	-	-	-
Net available revenue	\$6,043	\$7,108	\$5,586	\$5,959	\$6,130	\$6,163
Debt service						
Principal	\$2,695	\$3,805	\$2,910	\$3,205	\$4,040	\$4,535
Interest	\$3,381	\$3,225	\$3,030	\$1,714	\$1,975	\$1,919
Coverage (1)	1.0	1.0	0.9	1.2	1.0	1.0

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
Governmental Activities						
Transportation Refunding Bond						
Revenue						
Motor fuel taxes	\$ 171,265	\$ 178,938	\$ 174,299	\$ 180,600	\$ 181,758	\$ 188,754
Gross vehicle weight fees	30,983	33,935	31,555	26,425	25,339	26,308
Other	9,056	5,141	6,408	6,211	4,132	41,715
Less: Operating expenses	(210,797)	(226,147)	(212,237)	(202,624)	(199,193)	(281,286)
Net available revenue	\$ 507	\$ (8,133)	\$ 25	\$ 10,612	\$ 12,036	\$ (24,509)
Debt service						
Principal	\$ 10,865	\$ 11,355	\$ 11,885	\$ 12,470	\$ 13,095	\$ 3,705
Interest	\$ 2,826	\$ 2,315	\$ 1,757	\$ 1,154	\$ 514	\$ 94
Coverage (1)	0.0	(0.6)	0.0	0.8	0.9	(6.5)

SCHEDULE C-2 – PLEDGED REVENUE COVERAGE - Continued
 Last Ten Fiscal Years
 (amounts expressed in thousands)

		Fiscal Year			
		2005	2006	2007	2008
Governmental Activities					
US Highway 93 GARVEES Bond (2)					
Revenue		\$ 160,060	\$ 278,109	\$ 300,808	\$ 345,583
Federal Highway Administration		(159,846)	(266,232)	(288,930)	(333,705)
Less: Operating expenses					
Net available revenue		\$ 214	\$ 11,877	\$ 11,878	\$ 11,878
Debt service					
Principal		\$ 214	\$ 4,960	\$ 6,130	\$ 6,375
Interest			\$ 6,917	\$ 5,747	\$ 5,503
Coverage (1)		1.0	1.0	1.0	1.0

		Fiscal Year			
		1999	2000	2001	2002
Governmental Activities					
Middle Creek Dam Project Note Payable					
Revenue		\$79	\$87	\$104	\$104
Middle Creek Water Users Assoc loan payments		-	-	-	-
Less: Operating expenses					
Net available revenue		\$79	\$87	\$104	\$104
Debt service					
Principal		\$33	\$34	\$35	\$37
Interest		\$46	\$53	\$69	\$67
Coverage (1)		1.0	1.0	1.0	1.0

		Fiscal Year			
		2003	2004	2005	2006
Governmental Activities					
Middle Creek Dam Project Note Payable					
Revenue		\$119	\$99	\$99	\$99
Middle Creek Water Users Assoc loan payments		-	-	-	-
Less: Operating expenses					
Net available revenue		\$119	\$99	\$99	\$99
Debt service					
Principal		\$41	\$42	\$44	\$46
Interest		\$59	\$40	\$52	\$43
Coverage (1)		1.0	1.0	1.0	1.0

SCHEDEULE C-2 – PLEDGED REVENUE COVERAGE - Continued
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year					
	2000	2001	2002	2003	2004	2005
Governmental Activities						
Tongue River Dam Project Note Payable						
Revenue						
Tongue River Water Users Assoc loan payments	\$128	\$128	\$128	\$128	\$128	\$128
Revenue from sale of electricity	162	162	162	162	162	162
Less: Operating expenses	-	-	-	-	-	-
Net available revenue	\$290	\$290	\$290	\$290	\$290	\$290
Debt service						
Principal	\$290	\$290	\$290	\$290	\$290	\$290
Interest	-	-	-	-	-	-
Coverage (1)	1.0	1.0	1.0	1.0	1.0	1.0
 Fiscal Year						
	1999	2000	2001	2002	2003	2004
Governmental Activities						
Water Conservation Note Payable						
(Little Dry Project)						
Revenue						
Little Dry Water Users Assoc loan payments	\$3	\$3	\$3	\$3	\$3	\$3
Less: Operating expenses	-	-	-	-	-	-
Net available revenue	\$3	\$3	\$3	\$3	\$3	\$3
Debt service						
Principal	\$2	\$2	\$2	\$2	\$2	\$2
Interest	\$1	\$1	\$1	\$1	\$1	\$1
Coverage (1)	1.0	1.0	1.0	1.0	1.0	1.0
 Fiscal Year						
	2005	2006	2007	2008		

SCHEDULE C-2 – PLEDGED REVENUE COVERAGE - Continued
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
Governmental Activities						
Water Conservation Note Payable						
(Petrovia Project)						
Revenue	\$3	\$3	\$3	\$3	\$3	\$3
Petrovia Irrigation District loan payments	-	-	-	-	-	-
Less: Operating expenses						
Net available revenue	\$3	\$3	\$3	\$3	\$3	\$3
Debt service						
Principal	\$1	\$1	\$1	\$2	\$2	\$2
Interest	\$2	\$2	\$2	\$1	\$1	\$1
Coverage (1)	1.0	1.0	1.0	1.0	1.0	1.0
Business-type Activities						
Economic Development Bonds						
(Municipal Finance Consolidation Irrigation Dist)						
Revenue	\$284	\$512	\$71	\$45		
Principal and interest repayments	5	3	5	3		
Investment income	-	-	-	-		
Less: Operating expenses						
Net available revenue	\$289	\$515	\$76	\$48		
Debt service						
Principal	\$325	\$450	\$40	\$45		
Interest	\$ 81	\$ 30	\$31	\$28		
Coverage (1)	0.7	1.1	1.1	0.7		

SCHEDEULE C-2 – PLEDGED REVENUE COVERAGE - Continued
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year		
	2005	2006	2007
Business-type Activities			
Economic Development Bonds			
(Conservation Reserve Enhancement Program)			
Revenue			
Principal and interest repayments	\$2,135	\$1,765	\$2,173
Investment income	4	9	16
Less: Operating expenses	-	-	-
Net available revenue	\$2,139	\$1,774	\$2,189
Debt service			
Principal	\$1,937	\$1,475	\$1,924
Interest	\$ 263	\$ 201	\$ 216
Coverage (1)	1.0	1.1	1.0

	Fiscal Year
	2005
Business-type Activities	
Economic Development Bonds	
(Municipal Finance Consolidation Act Bonds)	
Revenue	
Principal and interest repayments	\$300
Investment income	-
Less: Operating expenses	-
Net available revenue	\$300
Debt service	
Principal	\$294
Interest	\$ 1
Coverage (1)	1.0

SCHEDULE C-2 – PLEDGED REVENUE COVERAGE - Continued
Last Ten Fiscal Years
(amounts expressed in thousands)

	MUS Workers Compensation Bonds Payable	Fiscal Year			
		2004	2005	2006	2007
Revenue		\$ 2,424	\$ 2,978	\$ 3,543	\$ 4,047
Workers compensation premiums		<u>(2,489)</u>	<u>(2,785)</u>	<u>(2,932)</u>	<u>(2,614)</u>
Less: Operating expenses					
Net available revenue		\$ (65)	\$ 193	\$ 611	\$ 1,433
Debt service					
Principal		\$ 395	\$ 395	\$ 410	\$ 430
Interest		\$ 48	\$ 46	\$ 34	\$ 22
Coverage (1)		(0.1)	0.4	1.4	3.2

Sources: Montana Departments of Commerce (Board of Investments), Natural Resources and Conservation, Transportation
Montana University System

Note:

(1) Coverage equals net available revenue divided by debt service.

(2) In fiscal year 2008, the Montana Department of Transportation revised data for fiscal year 2005.

SCHEDULE C-3 – RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Seven Fiscal Years

(amounts expressed in thousands, except per capita amount, in dollars)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Personal Income (1)	Debt Per Capita (2)
2002	\$214,135	\$15,327	\$198,808	0.87%	\$218
2003	227,625	14,304	213,321	0.88%	233
2004	219,645	14,946	204,699	0.79%	221
2005	213,195	12,957	200,238	0.73%	214
2006	230,065	13,700	216,365	0.74%	228
2007	208,015	15,471	192,544	0.61%	201
2008	201,560	11,967	189,593	0.60%	199

Source: *Statewide Accounting, Budgeting, and Human Resource System*

Notes: The schedule information is available beginning in fiscal year 2002, the year GASB Statement 34 was implemented. Details regarding the State's debt can be found in Note 11 of the financial statements.

(1) Debt as a percentage of personal income equals total debt divided by total personal income from Schedule B-1.

Used calendar year 2007 personal income for fiscal year 2008 debt percentage calculation.

Numbers revised for prior years due to personal income estimate revisions.

(2) Debt per capita is calculated by dividing total debt by total population from Schedule D-1.

State population for 2008 is based on a U.S. Census Bureau interim population projection.

Numbers revised for prior years due to population estimate revisions.

SCHEDULE D-1 – DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population										
Montana (<i>in thousands</i>)	892	898	903	906	910	917	927	936	947	958
Percentage change	0.2%	0.7%	0.6%	0.3%	0.4%	0.8%	1.1%	1.0%	1.2%	1.2%
National (<i>in thousands</i>)	275,854	279,040	282,194	285,112	287,888	290,448	293,192	295,896	298,755	301,621
Percentage change	1.2%	1.2%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	1.0%	1.0%
Total Personal Income										
Montana (<i>in millions</i>)	18,857	19,373	20,716	22,359	22,819	24,177	25,813	27,521	29,354	31,749
Percentage change	6.6%	2.7%	6.9%	7.9%	2.1%	6.0%	6.8%	6.6%	6.7%	8.2%
National (<i>in billions</i>)	7,416	7,796	8,422	8,717	8,873	9,150	9,711	10,253	10,977	11,632
Percentage change	7.4%	5.1%	8.0%	3.5%	1.8%	3.1%	6.1%	5.6%	7.1%	6.0%
Per Capital Personal Income										
Montana	21,130	21,585	22,929	24,676	25,065	26,353	27,854	29,410	31,004	33,145
Percentage change	6.3%	2.2%	6.2%	7.6%	1.6%	5.1%	5.7%	5.6%	5.4%	6.9%
National	26,883	27,939	29,845	30,574	30,810	31,504	33,123	34,650	36,744	38,564
Percentage change	6.1%	3.9%	6.8%	2.4%	0.8%	2.3%	5.1%	4.6%	6.0%	5.0%
Resident Civilian Labor Force and Employment										
Civilian labor force	459,925	464,782	469,083	470,262	466,787	469,119	478,561	483,681	497,406	501,499
Employed	434,076	440,063	446,742	449,175	445,739	448,805	458,974	465,362	481,262	485,846
Unemployed	25,849	24,719	22,341	21,087	21,048	20,314	19,587	18,319	16,144	15,653
Unemployment rate	5.6%	5.3%	4.8%	4.5%	4.5%	4.3%	4.1%	3.9%	3.2%	3.1%
Nonfarm Wage and Salary Workers (<i>in thousands</i>)										
Goods-producing industries										
Natural Resources and Mining	6.1	6.1	6.0	6.2	6.2	6.2	7.1	7.7	8.2	8.4
Construction	19.3	20.0	20.4	21.2	21.7	23.1	24.9	27.6	30.2	32.5
Durable goods	14.6	15.1	15.2	14.4	13.1	12.1	12.1	12.4	12.8	13.0
Nondurable goods	7.4	7.4	7.2	7.0	6.9	6.9	7.1	7.2	7.4	7.5
Subtotal goods-producing industries	47.4	48.6	48.8	48.8	47.9	48.3	51.2	54.9	58.6	61.4
Service-producing industries										
Transp, communications, and utilities	24.1	24.6	24.7	24.1	23.7	23.1	23.3	23.8	24.3	24.6
Trade	68.4	69.0	69.4	68.9	68.9	69.1	70.8	71.6	72.8	75.3
Finance, insurance, and real estate	17.6	18.1	18.5	18.8	19.3	20.3	21.1	21.4	22.0	21.8
Service	136.2	140.5	145.2	146.9	151.4	154.2	158.4	162.9	169.3	175.0
State and local government	68.4	69.3	70.6	70.7	71.1	72.0	72.9	72.7	72.1	71.7
Federal government	12.7	12.7	13.4	13.4	13.8	13.8	13.8	13.5	13.5	13.3
Subtotal service-producing industries	327.4	334.2	341.8	342.8	348.2	352.5	360.3	365.9	374.0	381.7
Total Nonfarm Wage and Salary Employment	374.8	382.8	390.6	391.6	396.1	400.8	411.5	420.8	432.6	443.1

Sources: Population Division, U.S. Census Bureau

Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce
Bureau of Labor Statistics, U.S. Department of Labor

Notes: Total personal income is comprised of earned income, dividends, interest and rents, and government transfer payments. Per capita income is calculated by dividing personal income by population; amounts may not be exact due to rounding.
Numbers for prior years revised due to releases of updated data.

SCHEDULE D-2 – PRINCIPAL EMPLOYERS

Current Calendar Year and Nine Calendar Years Ago

Employer	1999			2008		
	Employees (1)	Rank	Percentage of Total State Employment (2)	Employees (1)	Rank	Percentage of Total State Employment (2)
State of Montana	19,000–19,500	1	5.30%	21,000–21,500	1	4.92%
Federal Government	11,500–12,000	2	3.24	12,500–13,000	2	2.95
Wal-Mart	2,000–2500	4	0.62	4,500–5,000	3	1.10
Billings Deaconess Clinic	1,500–2,000	7	0.48	3,000–3,500	4	0.75
Town Pump	1,000–1,500	9	0.34	2,500–3,000	5	0.64
Albertson's	2,000–2,500	5	0.62	2,000–2,500	6	0.52
St. Vincent Healthcare	1,500–2,000	8	0.48	2,000–2,500	7	0.52
Benefis Healthcare	2,000–2,500	6	0.62	1,500–2,000	8	0.40
Better Business Systems				1,500–2,000	9	0.40
Stillwater Mining				1,500–2,000	10	0.40
Montana Power	2,500–3,000	3	0.76			
Plum Creek Timber	1,000–1,500	10	0.34			
Total State Employment	362,882			432,220		

Sources: *Montana Department of Labor
Bureau of Labor Statistics, U.S. Department of Labor*

Notes:: (1) Number of employees based on March 2008 data.
(2) Percentage of total state employment based on the midpoints in the ranges given.

This page intentionally left blank.

SCHEDULE E-1 – FULL-TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION/PROGRAM

Last Seven Fiscal Years

Function/Program	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental:					
General government	1,375	1,614	1,575	1,562	1,615
Public safety/corrections	1,925	1,937	1,930	1,955	2,048
Transportation	2,036	2,055	2,025	2,023	2,063
Health/social services	2,674	2,577	2,539	2,575	2,621
Education/cultural	416	429	402	407	428
Resource/recreation/environment	1,430	1,694	1,731	1,765	1,853
Economic development/assistance	912	884	925	952	965
Total governmental	10,768	11,190	11,127	11,239	11,593
Business-type:					
Liquor Stores	28	28	29	27	38
State Lottery	30	31	30	32	32
Economic Development Bonds	4	4	4	4	4
Hail Insurance	2	2	3	2	3
General Government Services	109	102	94	104	96
Prison Funds	38	35	31	32	34
MUS Group Insurance	3	3	3	2	3
MUS Workers Compensation	-	-	-	-	-
Total business-type	214	205	194	203	210
Fiduciary:					
Pension Trust	46	49	47	46	48
Total fiduciary	46	49	47	46	48
Component unit:					
Housing Authority	18	17	19	21	20
Facility Finance Authority	2	2	2	2	2
State Compensation Insurance (New Fund)	228	239	252	261	265
Montana State University	3,878	3,916	3,960	3,994	3,940
University of Montana	3,064	3,129	3,187	3,238	3,281
Total component unit	7,190	7,303	7,420	7,516	7,508
Total full-time equivalent employees	18,218	18,747	18,788	19,004	19,359

Source: Statewide Accounting, Budgeting, and Human Resource System

Note: The number of full-time equivalent employees is presented by functional/programmatic categories consistent with the level of expense detail required by GASB Statement 34. Thus, the employee information is available beginning in fiscal year 2002.

Fiscal Year	
2007	2008

1,552	1,696
2,176	2,270
2,031	2,023
2,587	2,704
432	463
1,825	1,876
913	951
<hr/>	<hr/>
11,516	11,983

39	43
32	33
6	5
3	3
103	108
34	35
4	4
1	1
<hr/>	<hr/>
222	232

46	48
46	48

19	21
2	2
279	276
4,056	4,021
3,364	3,557
<hr/>	<hr/>
7,720	7,877
<hr/>	<hr/>
19,504	20,140

SCHEDULE E-2 – OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Seven Fiscal Years

Function/Program	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
General government					
Department of Revenue					
Electronically-filed income tax returns	140,034	168,231	195,880	224,653	236,200
Paper-filed income tax returns	290,009	265,998	243,247	200,102	203,100
Judiciary					
Supreme Court total filings (1)	798	860	882	738	760
District Court total filings (1)	33,443	37,456	38,579	38,619	42,000
Public safety/corrections					
Department of Corrections					
Incarcerated offenders	2,402	2,156	2,307	2,535	2,935
Supervised offenders	7,048	7,787	8,081	8,460	8,797
Department of Justice					
Driver's licenses issued	123,070	112,727	149,714	163,336	172,915
Vehicles registered (2)	1,117,152	1,153,352	1,262,990	972,849	1,550,713
Department of Military Affairs (Army Program Facilities Office)					
Work orders received	2,500	2,445	2,066	3,272	2,648
Work orders completed	1,950	2,102	1,555	2,843	2,349
Work orders unfunded or not completed	550	343	511	429	172
Transportation					
Department of Transportation					
Paved roads (miles)	18,980	18,998	19,017	19,020	19,050
Unpaved roads (miles)	51,717	51,641	51,624	51,623	55,281
Health/social services					
Department of Public Health and Human Services					
Senior citizens receiving personal long-term care assistance	2,856	2,707	2,801	2,808	2,869
Number of households provided with energy assistance	16,977	18,000	19,125	20,463	21,552
Education/cultural					
Office of Public Instruction					
K-12 public school enrollment	151,947	149,995	148,356	146,705	145,259
Public schools	877	866	859	852	840
Commissioner of Higher Education					
Total enrollment for Montana University System	28,795	29,184	29,520	29,122	29,181
Total enrollment for Colleges of Technology	3,295	3,489	3,663	3,641	3,910
Resource/recreation/environment					
Department of Natural Resources and Conservation					
Revenue generated on state trust lands (millions of dollars)	\$63.4	\$62.5	\$72.8	\$86.1	\$101.9
Oil production (millions of bbls)	16.05	18.1	19.9	20.9	36.2
Gas production (millions of mcf)	77.3	78.8	78.9	80.5	114.0
Department of Fish, Wildlife and Parks					
License and permit sales (3)	1,566,842	1,598,180	1,751,581	1,752,315	1,638,410
State park visitation (millions)	1.1	1.6	1.6	1.65	1.7

Fiscal Year	
2007	2008

234,543	234,299
266,891	300,784

676	N/A
41,546	N/A

2,608	2,439
9,838	10,433

181,804	156,088
1,657,285	1,610,753

3,386	3,610
2,781	3,441
1,373	750

19,447	19,465
54,883	55,472

2,857	2,966
19,254	18,929

144,418	143,405
831	830

29,140	29,072
4,033	4,277

\$103.6	\$107.1
37.2	34.9
118.0	120.7

1,737,413	1,808,093
1.85	1.78

SCHEDULE E-2 – OPERATING INDICATORS BY FUNCTION/PROGRAM - Continued

Last Seven Fiscal Years

Function/Program	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities (continued):					
Resource/recreation/environment (continued)					
Department of Environmental Quality					
Environmental permit applications	3,819	5,047	5,192	6,245	8,044
Environmental violations	2,788	2,888	3,338	3,655	2,166
Economic development/assistance					
Department of Commerce (Community Development)					
Treasure State Endowment Project – applications	55	-	47	-	57
Treasure State Endowment Project – construction awards	-	40	-	40	N/A
Community Development Block Grant – public facility applications	8	13	10	14	11
Community Development Block Grant – public facility awards	8	12	7	8	7
Business-type activities:					
Unemployment Insurance					
Department of Labor					
Initial claims	58,821	60,300	56,743	50,216	46,697
Average weekly benefit (dollars)	\$185.67	\$195.43	\$200.93	\$209.37	\$202.67
Exhaustion rate (percent)	36.6%	36.4%	38.4%	32.7%	29.8%
Liquor Stores					
Department of Revenue					
Liquor licenses issued	2,210	2,157	2,233	2,262	2,267
Liquor cases distributed	463,881	490,153	513,885	535,635	578,111
State Lottery					
Department of Administration					
Total dollars in ticket sales (millions of dollars)	\$33.63	\$34.68	\$36.74	\$33.81	\$39.92
Transfer to the General Fund (millions of dollars)	\$7.47	\$7.45	\$8.11	\$7.2	\$9.11
General Government Services					
Department of Commerce (HUD Section 8)					
Applications reviewed – homebuyers assistance (dollars) (4) (5)	-	\$1,608,335	\$1,531,543	\$2,290,100	\$466,115
Grants awarded – homebuyers assistance (dollars) (4) (5)	-	\$1,608,335	\$1,531,543	\$1,547,323	\$466,115

N/A = not available

Sources: Governor's Office of Budget and Program Planning, Biennium Executive Budget

Montana Departments of Administration, Justice, Military Affairs, and Transportation

Montana Commissioner of Higher Education

Unemployment Insurance Data Summary, Employment & Training Administration, U.S. Department of Labor

Notes: (1) Operating indicators are reported on a calendar-year basis.

(2) Operating indicators for fiscal year 2007 revised in fiscal year 2008.

(3) Effective with fiscal year 2004, license and permit sales reported by license year.

(4) As of July 2006, an additional \$483,917 in remaining Community Housing Development Organization (CHDO) set-aside funds was available in the second 2006 application round (deadline: August 1).

(5) Effective with fiscal year 2007, reporting method revised to include both single and multiple family assistance..

Fiscal Year	
2007	2008

8,222	9,104
3,271	4,586

-	65
56	-
17	17
8	10

47,147	49,530
\$225.00	\$241.44
32.1%	32.3%

2,249	4,601
616,400	653,475

\$41.56	\$43.83
\$11.42	\$11.03

\$4,536,558	\$3,217,708
\$4,140,419	\$3,830,524

SCHEDULE E-3 – CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Seven Fiscal Years

Function/Program	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental activities:						
General government						
Department of Administration						
Buildings	50	47	47	48	48	47
Data processing equipment	762	825	866	861	916	997
Judiciary						
Vehicles	10	50	57	63	61	52
Public safety/corrections						
Department of Corrections						
Vehicles	413	418	269	288	297	280
Buildings	160	149	155	152	155	151
Department of Justice						
Vehicles	389	395	396	401	409	422
Laboratory/scientific equipment	192	158	164	168	166	251
Transportation						
Department of Transportation						
Vehicles	4,233	4,055	4,027	4,006	4,032	4,173
Buildings	720	763	852	751	729	718
Health/social services						
Department of Public Health and Human Services						
Vehicles	318	333	323	331	330	204
Buildings	137	134	135	129	127	127
Education/cultural						
Historical Society						
Buildings	311	707	15	14	3	2
Resource/recreation/environment						
Department of Natural Resources and Conservation						
Vehicles	810	853	766	925	672	760
Buildings	182	181	179	179	177	183
Department of Fish, Wildlife and Parks						
Vehicles	1,305	1,226	1,238	1,462	1,610	1,693
Buildings	1,287	743	761	742	816	763
Department of Environmental Quality						
Vehicles	52	60	60	60	59	66
Laboratory/scientific equipment	239	246	131	141	124	130
Economic development/assistance						
Department of Commerce						
Buildings	7	9	685	685	258	257
Business-type activities:						
State Lottery						
Department of Administration						
Vehicles	15	17	14	12	14	14
General government services						
Department of Administration						
Vehicles	21	24	14	13	14	13
Prison funds						
Department of Corrections						
Vehicles	40	40	42	45	48	48

Sources: Statewide Accounting, Budgeting, and Human Resource System
Vehicle Exposure and Commercial Property Schedules, Risk Management and Tort Defense Division
Department of Administration

Note: The schedule information is available beginning in fiscal year 2002, the year GASB Statement 34 was implemented.

**Fiscal Year
2008**

50
1,110

52

283
149

524
287

4,289
783

189
131

2

798
181

1,844
769

60
134

261

15

13

49